



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 13-26)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,

Transmittals 13-26 with attached transmittal and policy justification.

Dated: July 10, 2013.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

JUL 09 2013

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 13-26, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Kingdom of Saudi Arabia for defense articles and services estimated to cost \$1.2 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 13-26

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Kingdom of Saudi Arabia
- (ii) Total Estimated Value:

Major Defense Equipment*	\$0.0 billion
Other	<u>\$1.2 billion</u>
TOTAL	\$1.2 billion
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 30 Mark V patrol boats, 32 27mm guns, spare and repair parts, support equipment, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Navy (SBR)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:
None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 9 July 2013

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Kingdom of Saudi Arabia – Mark V Patrol Boats

The Kingdom of Saudi Arabia has requested a possible sale of 30 Mark V patrol boats, 32 27mm guns, spare and repair parts, support equipment, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support. The estimated cost is \$1.2 billion.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of Saudi Arabia which has been, and continues to be, an important force for stability in the Middle East. This sale of Mark V patrol boats will give the Royal Saudi Naval Forces (RSNF) an effective combat and threat deterrent capability to protect maritime infrastructure in the Saudi littorals. This acquisition will enhance the stability and security operations for boundaries and territorial areas encompassing the Saudi Arabian coastline.

The purchase of Mark V patrol boats represents an upgrade and modernization of the RSNF's existing patrol boat capability. The proposed sale will enhance interoperability between the U.S. and the Kingdom of Saudi Arabia and will contribute to the stability in the Kingdom of Saudi Arabia and the region. The Mark V patrol boats will provide additional capability to rapidly identify, engage, and defeat maritime security threats in the near-offshore region of the Saudi littorals. The boats will be used primarily to patrol and interdict intruders in Saudi territorial seas, and recognized economic exclusion zones. Saudi Arabia will have no difficulty absorbing these additional boats.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor for this effort has not yet been determined. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require an additional three to four U.S. Government and contractor representatives to Saudi Arabia for a period of seven years to provide logistics and technical support and warranty work during delivery of the boats.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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